

REMARKS

This amendment is offered in response to the Office Action of January 10, 2008.

The Office Action rejected Claims 1-26 under 35 U.S.C. §103(a) as being obvious over the Joao reference (U.S. Patent No. 6,347,302) in view of the Walker reference (U.S. Patent No. 6,208,978).

At the outset, the Walker reference deals with the use of a credit card as a substitute for the traditional money “upfront” for a security deposit. However, this does nothing to shift the economic risk associated with apartment damage away from the tenant. This is because any damages would subsequently appear as a credit card charge for which the tenant would be responsible. Moreover, this does not adequately protect the landlord or property manager as a credit card could be canceled, overdrawn or otherwise not able to cover the required expenses when the funds are required.

It is difficult to see how the Walker reference, which relates to the use of credit in place of a security deposit for real estate rentals (without any real shift in financial risk), would be combined in any way with the Joao reference which relates the use of insurance for security deposits for movable properties such as vehicles, boats, airplanes, motorcycles and office equipment. That is, Walker relates to real estate and credit, while Joao relates to mobile products and insurance. There would be no reason to combine these references.

The presently pending claims relate to a method to transfer the risk for residential rental properties. Moreover, Claims 1, 2, 4, 7-9, 11, 12, 15, 16, 19, 20, 23 and 24 recite such elements as steps done by a property manager, which are not disclosed or suggested by either cited reference, alone or in combination.

Additionally, various dependent claims include elements which are not disclosed by the cited references, such as "said property manager supplies a letter of credit (LOC) to said insurance underwriter in an amount specified by said insurance underwriter" as recited in Claim 9. The Examiner has cited the Abstract, approximately two columns of text and a figure in this regard which is essentially the same citation used in subparagraphs B-K of the Office Action against claims 2-11 and then reiterated against claims 12-26 (subparagraph L of the Office Action). The Examiner is respectfully requested to state in detail where a letter of credit is disclosed within this citation, along with all of the other elements of the dependent claims.

It is therefore respectfully submitted that this rejection is overcome.

For all of the reasons above, it is respectfully submitted that all of the presently pending claims are in immediate condition for allowance. The Examiner is respectfully requested to withdraw the rejections of the claims, to allow the claims, and to pass this application to early issue.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gerald Levy", with a stylized flourish at the end.

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